

# Walker Chandiook & Co LLP

## Independent Auditor's Report

To the Members of Appserve Appliance Private Limited

Report on the Audit of the Financial Statements

Walker Chandiook & Co LLP  
B-406A, 4th Floor  
L&T Elante Office Building,  
Industrial Area Phase I,  
Chandigarh - 160 002  
India

T +91 172 433 8000  
F +91 172 433 8005

## Opinion

1. We have audited the accompanying financial statements of Appserve Appliance Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter: Going Concern

4. We draw attention to Note 2 (a) to the accompanying financial statements regarding the management's intention of winding up the Company in near future. Accordingly, the management has not prepared the accompanying financial statements for the year ended 31 March 2021 using going concern basis of accounting and therefore, assets have been stated at their estimated net realizable values and liabilities have been stated at the amount at which they are expected to be discharged. Our opinion is not modified in respect of this matter.

## Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



# Walker Chandiook & Co LLP

## Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2021 (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;





# Walker Chandiook & Co LLP

## Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2021 (Cont'd)

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the matter described in paragraph 4 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 21 May 2021 as per Annexure II expressed unmodified opinion; and



# Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2021 (Cont'd)

- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2021;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**  
Partner  
Membership No.: 099410  
UDIN: 20099410AAAABA8233



Place: Chandigarh  
Date: 21 May 2021



# Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2021

## Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) The Company does not have any tangible fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.



# Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2021 (Cont'd)

- (xiii) In our opinion, the Company has not entered into any transactions with the related parties. Accordingly, provisions of clause 3(xiii) of the Order are not applicable.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Sandeep Mehta**  
Partner  
Membership No.: 099410  
UDIN: 20099410AAAABA8233



Place: Chandigarh  
Date: 21 May 2021



## Annexure II

### Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Appserve Appliance Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Appserve Appliance Private Limited on the financial statements for the year ended 31 March 2021

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sandeep Mehta**  
Partner  
Membership No.: 099410  
UDIN: 20099410AAAABA8233



Place: Chandigarh  
Date: 21 May 2021



Appserve Appliance Private Limited  
 Balance Sheet as at 31 March 2021  
 (All amount in Rupees lakh unless otherwise stated)

Particulars	Notes	As at	
		31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	4	1.49	1.99
<b>Total non-current assets</b>		<b>1.49</b>	<b>1.99</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	5	2.90	8.05
Cash and cash equivalents	6	4.24	2.93
Other current assets	7	16.79	18.36
<b>Total current assets</b>		<b>23.93</b>	<b>29.34</b>
<b>Total assets</b>		<b>25.42</b>	<b>31.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	200.00	200.00
Other equity	9	(175.36)	(169.57)
<b>Total equity</b>		<b>24.64</b>	<b>30.43</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	10	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	11	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		0.52	0.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	12	0.26	0.42
<b>Total current liabilities</b>		<b>0.78</b>	<b>0.90</b>
<b>Total liabilities</b>		<b>0.78</b>	<b>0.90</b>
<b>Total equity and liabilities</b>		<b>25.42</b>	<b>31.33</b>
<b>Summary of significant accounting policies</b>			
2			

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For Walker Chandiook & Co LLP  
 Chartered Accountants  
 Firm's Registration No. 001076N/N500013



Sandeep Mehta  
 Partner  
 Membership No. 099410



Place: Chandigarh  
 Date: 21 May 2021

For and on behalf of Board of Directors of  
 Appserve Appliance Private Limited



Daljit Singh  
 Director  
 (DIN: 02023964)

Place: Gurugram  
 Date: 21 May 2021



Jasbir Singh  
 Director  
 (DIN: 00259632)

Place: Gurugram  
 Date: 21 May 2021

Appserve Appliance Private Limited  
Statement of Profit and Loss for the year ended 31 March 2021  
(All amount in Rupees lakh unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations		-	-
Other income	13	0.43	0.01
<b>Total income</b>		<b>0.43</b>	<b>0.01</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Employee benefits expense		-	-
Depreciation and amortisation expense	14	0.50	0.50
Other expenses	15	5.72	0.76
<b>Total expenses</b>		<b>6.22</b>	<b>1.26</b>
<b>Profit before tax</b>		<b>(5.79)</b>	<b>(1.25)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Net loss for the year</b>		<b>(5.79)</b>	<b>(1.25)</b>
<b>Other comprehensive loss</b>			
Items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(5.79)</b>	<b>(1.25)</b>
<b>Earning per equity share</b>			
(Nominal value of equity share Rs 10 each)	16		
Basic		(0.29)	(0.06)
Diluted		(0.29)	(0.06)

**Summary of significant accounting policies**

2

**The accompanying notes are integral part of the financial statements.**

This is the statement of profit and loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

**Sandeep Mehta**

Partner

Membership No. 099410

**Place:** Chandigarh

**Date:** 21 May 2021



For and on behalf of Board of Directors of

**Appserve Appliance Private Limited**

**Daljit Singh**

Director

(DIN: 02023964)

**Place:** Gurugram

**Date:** 21 May 2021

**Jasbir Singh**

Director

(DIN: 00259632)

**Place:** Gurugram

**Date:** 21 May 2021



Appserve Appliance Private Limited  
Cash flow statement for the year ended 31 March 2021  
(All amount in Rupees lakh unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flows from operating activities</b>			
Loss before tax		(5.79)	(1.25)
<b>Adjustment for:</b>			
Depreciation and amortisation		0.50	0.50
Bad debts		4.17	0.01
<b>Operating profit before working capital changes</b>		<b>(1.12)</b>	<b>(0.74)</b>
<b>Movements in working capital:</b>			
Trade receivables		0.99	5.85
Financial and other assets		1.56	1.40
Trade payables		0.04	(2.44)
Financial and other liabilities		(0.16)	(1.49)
<b>Cash generated from operations</b>		<b>1.31</b>	<b>2.58</b>
Income tax (net)		-	-
<b>Net cash generated/(used in) operating activities</b>	<b>A</b>	<b>1.31</b>	<b>2.58</b>
<b>B. Cash flows from investing activities</b>			
Net cash generated from investing activities	<b>B</b>	-	-
<b>C. Cash flows from financing activities:</b>			
Net cash generated from financing activities	<b>C</b>	-	-
<b>D Net increase/(decrease) in cash and cash equivalent (A+B+C)</b>		<b>1.31</b>	<b>2.58</b>
<b>E Cash and cash equivalent at the beginning of the year</b>		<b>2.93</b>	<b>0.35</b>
<b>Cash and cash equivalent at the end of the year (D+E) {refer note 7}</b>		<b>4.24</b>	<b>2.93</b>

**Notes to cash flow statement**

**a. Cash and cash equivalents include:**

Balances with banks:			
- in current and cash credit accounts		4.24	2.93
- deposits with original maturity less than three months		-	-
Cash in hand		-	-
<b>Cash and bank balances</b>		<b>4.24</b>	<b>2.93</b>

b. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".

c. Negative figures have been shown in brackets.

**Accompanying notes form an integral part of these financial statements.**

This is the cash flow statement referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001076N/N500013

  
**Sandeep Mehta**

Partner  
Membership No. 099410

**Place:** Chandigarh  
**Date:** 21 May 2021



For and on behalf of Board of Directors of  
**Appserve Appliance Private Limited**



**Daljit Singh**  
Director  
(DIN: 02023964)

**Place:** Gurugram  
**Date:** 21 May 2021



**Jasbir Singh**  
Director  
(DIN: 00259632)

**Place:** Gurugram  
**Date:** 21 May 2021

**Appserve Appliance Private Limited**  
**Statement of changes in equity for the year ended 31 March 2021**  
 (All amount in Rupees lakh unless otherwise stated)

**A Equity share capital**

	Amount
<b>Balance as at 01 April 2019</b>	200.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2020</b>	200.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2021</b>	200.00

**B Other equity**

Particulars	Retained earnings	Total
<b>Balance as at 01 April 2019</b>	(168.32)	(168.32)
Loss for the year	(1.25)	(1.25)
<b>Balance as at 31 March 2020</b>	(169.57)	(169.57)
Loss for the year	(5.79)	(5.79)
<b>Balance as at 31 March 2021</b>	(175.36)	(175.36)

**The accompanying notes are integral part of the financial statements.**

This is the statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
 Chartered Accountants  
 Firm's Registration No. 001076N/N500013

  
**Sandeep Mehta**  
 Partner  
 Membership No. 099410



**Place:** Chandigarh  
**Date:** 21 May 2021

For and on behalf of Board of Directors of  
**Appserve Appliance Private Limited**

  
**Daljit Singh**  
 Director  
 (DIN: 02023964)

**Place:** Gurugram  
**Date:** 21 May 2021

  
**Jasbir Singh**  
 Director  
 (DIN: 00259632)

**Place:** Gurugram  
**Date:** 21 May 2021



## Appserve Appliance Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

#### 1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)

Appserve Appliance Private Limited (the “Company”) a private limited company domiciled in India and having its registered office at C-2, Phase II, Focal Point, Rajpura, Patiala (Punjab) - 140401 was incorporated in December 2017, under the Companies Act 2013, is engaged in the business of business of repair, maintenance, installation, assembly and routine servicing activities of all kinds of white goods i.e. RACs, washing machines, refrigerators, consumer durables and other similar equipment and components and to establish repair shops for the same along with other related activities.

These standalone financial statements (“financial statements”) of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the “Act”), as amended and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 21 May 2021. The revisions to the financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

#### 2. Basis of preparation and significant accounting policies

##### a. Basis of preparation

As of 31 March 2021, the Company has significant accumulated losses. During the year 2018-19, all tangible fixed assets of the Company had been scrapped/disposed off. While the Company has enough resources to meet its working capital needs and repay its liabilities over the course of next fiscal year, the Management intends to liquidate the Company in near future. Accordingly, the going concern assumption is no longer considered appropriate and therefore, assets have been stated at their estimated net realizable value and liabilities have been stated at the amount at which they are expected to be discharged.

The significant accounting policies and measurement bases have been summarised below.

##### *Current versus non-current classification*

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

##### b. Revenue recognition

###### **Sale of goods and services**

Revenue arises from the sale of goods and services. To determine whether to recognise revenue, the Company follows a 5-step process:

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.





## Appserve Appliance Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

#### c. Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

#### d. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.





**Appserve Appliance Private Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

**e. Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

**Non-derivative financial assets**

*Subsequent measurement*

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

*Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.





## **Appserve Appliance Private Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Non-derivative financial liabilities**

##### *Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### *De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **f. Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **g. Property, plant and equipment ('PPE')**

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

##### *Subsequent measurement (depreciation and useful lives)*

Depreciation on fixed assets is provided on straight line method based on life prescribed as per Schedule II of the Companies Act, 2013.





## Appserve Appliance Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

#### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

#### **h. Intangible assets**

##### *Recognition, initial measurement and subsequent measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

##### *Amortisation methods and periods*

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	Useful life (in years)
Computer softwares	6
Patent and trade mark	6

#### **i. Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

#### **j. Right of use assets and lease liabilities**

For any new contracts entered into on or after 01 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

##### *Classification of leases*

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

##### *Recognition and initial measurement*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

##### *Subsequent measurement*





## Appserve Appliance Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

#### **k. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

#### **l. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

#### **Defined benefit plans (gratuity)**

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.





**Other long term benefits**

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

**Defined contribution plans**

**Provident Fund**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

**Short-term employee benefits**

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**m. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**n. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment

**3. Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

On 24 March 2021, the Ministry of Corporate Affairs (MCA), notified amendments in Schedule III to the Companies Act, 2013 effective from 1 April 2021. Following are key amended provisions which may have impact on the presentation of standalone financial statement of the Company:

**Balance sheet:**

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible under development.





## Appserve Appliance Private Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Reconciliation of quarterly statement of current assets submitted to bank/FI for secured borrowings with books of account and disclosure of material discrepancy, if any.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, promoters shareholding, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to undisclosed income, Corporate Social Responsibility (CSR) and crypto or virtual currency specified under the head 'additional information' in the notes to the standalone financial statements.
- Disclosure of specified financial ratios such as current ratio, debt equity ratio, DSCR, ROE, Turnover ratios, Net profit ratio, ROCE, ROI etc.

The Company is currently evaluating the impact of these amendment on its financial statements.

#### Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

#### *Significant judgements:*

##### (i) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

##### (ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

##### (iii) Contingent liabilities

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.





**Appserve Appliance Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

*Sources of estimation uncertainty:*

**(i) Provisions**

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

**(ii) Fair valuation of financial instruments**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**(iii) Recoverability of advances/receivables**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances. The Company has also taken into account estimates of possible effect from the pandemic relating to Covid-19.

*(This space has been left blank intentionally)*



Appserve Appliance Private Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021  
 (All amount in Rupees lakh unless otherwise stated)

4. Intangible assets

	Patent and trade mark	Softwares	Total intangible assets
<b>Gross block</b>			
<b>Balance as at 01 April 2019</b>	1.00	2.00	3.00
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March 2020</b>	1.00	2.00	3.00
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March 2021</b>	1.00	2.00	3.00
<b>Accumulated amortisation</b>			
<b>Balance as at 01 April 2018</b>	0.01	-	0.01
Amortisation charge for the year	0.17	0.33	0.50
Disposals	-	-	-
<b>Balance as at 01 April 2019</b>	0.18	0.33	0.51
Amortisation charge for the year	0.17	0.33	0.50
Disposals	-	-	-
<b>Balance as at 31 March 2020</b>	0.35	0.66	1.01
Amortisation charge for the year	0.17	0.33	0.50
Disposals	-	-	-
<b>Balance as at 31 March 2021</b>	0.53	0.98	1.51
<b>Net block as at 31 March 2020</b>	0.65	1.34	1.99
<b>Net block as at 31 March 2021</b>	0.47	1.02	1.49



(This space has been left blank intentionally)



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amount in Rupees lakh unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>5 Trade receivables*</b>		
Others		
Unsecured, considered good (refer note 17)	2.90	8.05
	<u>2.90</u>	<u>8.05</u>
* The carrying values are considered to be a reasonable approximation of fair value.		
<b>6 Cash and cash equivalents</b>		
Cash in hand	-	-
Balances with banks:		
- in current and cash credit accounts	4.24	2.93
	<u>4.24</u>	<u>2.93</u>
<b>7 Other current assets</b>		
Balances with statutory and government authorities	16.79	18.36
	<u>16.79</u>	<u>18.36</u>

(This space has been left blank intentionally)



	As at 31 March 2021	As at 31 March 2020
<b>8 Equity share capital</b>		
<b>Authorised capital</b>		
20,00,000 Equity shares (previous year: 20,00,000 Equity shares) of Rs 10 each	200.00	200.00
	<b>200.00</b>	<b>200.00</b>
<b>Issued, subscribed capital and fully paid up</b>		
20,00,000 Equity shares (previous year: 20,00,000 Equity shares) of Rs 10 each	200.00	200.00
	<b>200.00</b>	<b>200.00</b>

**i) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:**

	31 March 2021		31 March 2020	
	No. of shares	(Rs lakh)	No. of shares	(Rs lakh)
<b>Equity share capital of Rs. 10 each fully paid up</b>				
Balance at the beginning of the year	2,000,000	200.00	2,000,000	200.00
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,000,000</b>	<b>200.00</b>	<b>2,000,000</b>	<b>200.00</b>

**iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date:**

	As on 31 March 2021		As on 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
Amber Enterprises India Limited	2,000,000	100%	2,000,000	100%

**iv) Shares held by holding company**

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

	As on 31 March 2021		As on 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
Amber Enterprises India Limited	2,000,000	100%	2,000,000	100%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year.

**9 Other equity****Retained earnings**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	(169.57)	(168.32)
Add : Transferred from statement of profit and loss	(5.79)	(1.25)
Balance at the end of the year	<b>(175.36)</b>	<b>(169.57)</b>

(This space has been left blank intentionally)





	As at 31 March 2021	As at 31 March 2020
<b>10 Deferred tax liabilities (net)</b>		
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment and intangibles	-	-
<b>Total deferred tax liabilities</b>	-	-
<b>Tax effect of items constituting deferred tax assets:</b>		
Employees benefit expenses	-	-
Allowance under Section 35D - Preliminary expenses	-	-
<b>Deferred tax assets</b>	-	-
<b>Deferred tax liabilities/ (assets) (net)</b>	-	-

**Notes:**

**(i) Tax losses and unabsorbed depreciation**

**- Unused tax losses:**

Unused tax losses for which no deferred tax asset has been recognised	162.24	156.09
Potential tax benefit @ 25.17% (previous year: 25.17%)	40.83	39.28

Unused business loss can be carried forward based on the year of origination as follows:

Financial year origination	Financial year of expiry	Amount	Amount
2017-18	2025-26	52.32	52.32
2018-19	2026-27	102.42	102.42
2019-20	2027-28	1.35	1.35
2020-21	2028-29	6.15	-
		<b>162.24</b>	<b>156.09</b>

**- Unused short term capital losses:**

Unused tax losses for which no deferred tax asset has been recognised	5.88	5.88
Potential tax benefit @ 25.17% (previous year: 25.17%)	1.48	1.48

Unused short term capital loss can be carried forward based on the year of origination as follows:

Financial year origination	Financial year of expiry	Amount	Amount
2018-19	2026-27	5.88	5.88
		<b>5.88</b>	<b>5.88</b>

**- Unabsorbed depreciation:**

Unused tax losses for which no deferred tax asset has been recognised	4.65	4.24
Potential tax benefit @ 25.17% (previous year : 25.17%)	1.17	1.07

Financial year	Amount	Amount
2017-18	2.59	2.59
2018-19	1.01	1.01
2019-20	0.64	0.64
2020-21	0.41	-
	<b>4.65</b>	<b>4.24</b>

Unabsorbed depreciation can be carried forward indefinitely.

Deferred tax assets, have not been recognised based due to the absence of reasonable certainty for taxable profits in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of the Company.

**11 Trade payables**

Dues of micro enterprises and small enterprises [refer note (a) below]	-	-
Dues of creditors other than micro enterprises and small enterprises	0.52	0.48
	<b>0.52</b>	<b>0.48</b>

**a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

On the basis of information available with the management of the Company, there are no payables to Micro, Small and Medium Enterprises as at 31 March 2021.

**12 Other financial liabilities**

Creditors for capital expenditure	0.11	0.11
Expenses payable	0.15	-
Employee related payables	-	0.31
	<b>0.26</b>	<b>0.42</b>

The carrying values are considered to be a reasonable approximation of fair value.



Appserve Appliance Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amount in Rupees lakh unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>13 Other income</b>		
Interest on bank deposits	0.31	-
Miscellaneous income	0.12	0.01
	<b>0.43</b>	<b>0.01</b>
<b>14 Depreciation and amortisation expense</b>		
Amortisation of intangible assets (refer note 4)	0.50	0.50
	<b>0.50</b>	<b>0.50</b>
<b>15 Other expenses</b>		
Legal and professional fees [refer note (a) below]	1.52	0.70
Bad debts	4.17	0.01
Miscellaneous expenses	0.03	0.05
	<b>5.72</b>	<b>0.76</b>
<b>a) Payments to the auditor</b>		
For statutory audit and limited review	0.70	0.30
Reimbursement of expenses	-	-
<b>Total</b>	<b>0.70</b>	<b>0.30</b>

(This space has been left blank intentionally)





**Appserve Appliance Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amount in Rupees lakh unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>16 Earnings per share</b>		
Net profit/ (loss) attributable to equity shareholders	(5.79)	(1.25)
Weighted average number of equity shares in calculating basic and diluted earnings per share	2,000,000	2,000,000
Basic and diluted earnings/(loss) per share	(0.29)	(0.06)
Nominal value per equity shares (Rs.)	10.00	10.00

**17 Related party disclosures \***

**A. Relationship with related parties**

**I. Holding Company**

Amber Enterprises India Limited

**II. Key management personnel (KMP)**

- a. Mr. Jasbir Singh (Director)
- b. Mr. Daljit Singh (Director)
- c. Mrs. Amandeep Kaur (Director)

The following balances were outstanding with related parties as at 31 March 2021

Particulars	Holding Company	Key management personnel
<b>Balances at year end</b>		
<b>Trade receivables</b>		
Amber Enterprises India Limited	2.61	-

\* Disclosures have been given of those related parties with whom the company have made transactions.

The following transactions were carried out with related parties in the ordinary course of business for the year ended 31 March 2020

Particulars	Holding Company	Key management personnel
<b>Balances at year end</b>		
<b>Trade receivables</b>		
Amber Enterprises India Limited	3.59	-

(This space has been left blank intentionally)



	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>18 Tax expense</b>		
Current tax (including taxes earlier years)	-	-
Deferred tax	-	-
<b>Total Tax expense</b>	<b>-</b>	<b>-</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17% and 25.17% for the year ended 31st March 2021 and 2020 respectively, and the reported tax expense in profit or loss are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) before tax	(5.79)	(1.25)
Income tax using the Company's domestic tax rate *	25.17%	25.17%
<b>Expected tax expense [A]</b>	<b>(1.46)</b>	<b>(0.32)</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Non-deductible expenses/non-taxable income	0.01	0.01
Current unabsorbed depreciation and losses for which no deferred tax asset is recognised	-	-
Others	1.45	0.31
<b>Total adjustments [B]</b>	<b>1.46</b>	<b>0.32</b>
<b>Actual tax expense [C=A+B]</b>	<b>-</b>	<b>-</b>

\* Domestic tax rate applicable to the Company has been computed as follows

Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
Applicable rate	25.17%	25.17%

(This space has been left blank intentionally)





**19 Fair Value Disclosures****i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**ii) Financial assets measured at fair value - recurring fair value measurements**

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

**(iii) Fair value of instruments measured at amortised cost**

The management assessed that fair values of current loans, current financial assets, cash and cash equivalents, other bank balances, trade receivables, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**20 Financial risk management****i) Financial instruments by category**

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Trade receivables	-	-	2.90	-	-	8.05
Cash and cash equivalents	-	-	4.24	-	-	2.93
<b>Total</b>	-	-	<b>7.13</b>	-	-	<b>10.99</b>
<b>Financial liabilities</b>						
Trade payable	-	-	0.52	-	-	0.48
Other financial liabilities	-	-	0.26	-	-	0.42
<b>Total</b>	-	-	<b>0.78</b>	-	-	<b>0.90</b>

**ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either

- A: Low
- B: Medium
- C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low	Cash and cash equivalents	4.24	2.93
	Trade receivables	2.90	8.05

**Cash & cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

**Trade receivables**

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

**b) Expected credit losses****Trade receivables**

Company's major trade receivables are with credit worthy counterparties. Therefore, these trade receivables are considered high quality and accordingly no life time expected credit losses are recognised on such receivables based on simplified approach. The Company considers that trade receivables are not credit impaired as these are receivable from credit worthy counterparties.



**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**a) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2021	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	0.52	-	-	-	0.52
Other financial liabilities	0.26	-	-	-	0.26
<b>Total</b>	<b>0.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.78</b>

31 March 2020	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Trade payable	0.48	-	-	-	0.48
Other financial liabilities	0.42	-	-	-	0.42
<b>Total</b>	<b>0.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.90</b>

**b) Interest rate risk****i) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**21 Capital management**

The company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The company does not have any long-term borrowings and short-term borrowings.

**22 Contingent liabilities and commitments**

Claims against company not acknowledged as debt  
Guarantees  
Commitments

	As at 31 March 2021	As at 31 March 2020
Claims against company not acknowledged as debt	Nil	Nil
Guarantees	Nil	Nil
Commitments	Nil	Nil

(This space has been left blank intentionally)





**Appserve Appliance Private Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

(All amount in Rupees lakh unless otherwise stated)

- 23 The Company is engaged in the business of repair, maintenance, installation, assembly and routine servicing activities of all kinds of consumer durable products and its components. Basis the nature of Company's business and operations, the Company has one operating segment for which information is reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Hence, the Company has only one reportable segment as per the requirements of Ind AS 108 – 'Operating Segments'.

These are notes to accounts as referred to in our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013



**Sandeep Mehta**

Partner

Membership No. 099410



**Place:** Chandigarh

**Date:** 21 May 2021

For and on behalf of Board of Directors of

**Appserve Appliance Private Limited**



**Daljit Singh**

Director

(DIN: 02023964)

**Place:** Gurugram

**Date:** 21 May 2021



**Jasbir Singh**

Director

(DIN: 00259632)

**Place:** Gurugram

**Date:** 21 May 2021